

STATE OF ILLINOIS

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Facility Name & ID Number Alden Terrace of McHenry Rehab# 0040691 Report Period Beginning: 01/01/2003 Ending: 12/31/2003

III. STATISTICAL DATA

A. Licensure/certification level(s) of care; enter number of beds/bed days,
(must agree with license). Date of change in licensed beds _____

	1	2	3	4	
	Beds at Beginning of Report Period	Licensure Level of Care	Beds at End of Report Period	Licensed Bed Days During Report Period	
1	<u>316</u>	Skilled (SNF)		<u>115,340</u>	1
2		Skilled Pediatric (SNF/PED)			2
3		Intermediate (ICF)			3
4		Intermediate/DD			4
5		Sheltered Care (SC)			5
6		ICF/DD 16 or Less			6
7	<u>316</u>	TOTALS		<u>115,340</u>	7

B. Census-For the entire report period.

	1	2	3	4	5	
	Level of Care	Patient Days by Level of Care and Primary Source of Payment				
		Public Aid Recipient	Private Pay	Other	Total	
8	SNF	<u>7,635</u>	<u>641</u>	<u>6,602</u>	<u>14,878</u>	8
9	SNF/PED					9
10	ICF	<u>40,084</u>	<u>5,186</u>	<u>778</u>	<u>46,048</u>	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	<u>47,719</u>	<u>5,827</u>	<u>7,380</u>	<u>60,926</u>	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed
bed days on line 7, column 4.) 52.82%

D. How many bed-hold days during this year were paid by Public Aid?

0 (Do not include bed-hold days in Section B.)E. List all services provided by your facility for non-patients.
(E.g., day care, "meals on wheels", outpatient therapy)daycareF. Does the facility maintain a daily midnight census? YESG. Do pages 3 & 4 include expenses for services or
investments not directly related to patient care?YES ☐ NO ☒

H. Does the BALANCE SHEET (page 17) reflect any non-care assets?

YES ☐ NO ☒

I. On what date did you start providing long term care at this location?

Date started / /

J. Was the facility purchased or leased after January 1, 1978?

YES ☒ Date 03/01/95 NO ☐

K. Was the facility certified for Medicare during the reporting year?

YES ☒ NO ☐ If YES, enter numberof beds certified 62 and days of care provided 5,434Medicare Intermediary Administar Federal, Inc.

IV. ACCOUNTING BASIS

ACCRUAL ☒ MODIFIED CASH* ☐ CASH* ☐Is your fiscal year identical to your tax year? YES ☒ NO ☐Tax Year: 12/31/2003 Fiscal Year: 12/31/2003

* All facilities other than governmental must report on the accrual basis.

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Facility Name & ID Number Alden Terrace of McHenry Rehab # 0040691 Report Period Beginning: 01/01/2003 Ending: 12/31/2003

V. COST CENTER EXPENSES (throughout the report, please round to the nearest dollar)

	Operating Expenses	Costs Per General Ledger				Reclass- ification 5	Reclassified Total 6	Adjust- ments 7	Adjusted Total 8	FOR OHF USE ONLY		
		Salary/Wage 1	Supplies 2	Other 3	Total 4					9	10	
	A. General Services											
1	Dietary	227,582	29,931	6,600	264,113	160	264,273		264,273			1
2	Food Purchase		387,261		387,261	(38,427)	348,834	(5,142)	343,692			2
3	Housekeeping	151,679	32,322		184,001	456	184,457		184,457			3
4	Laundry	65,270	30,904		96,174	54	96,228		96,228			4
5	Heat and Other Utilities			216,214	216,214		216,214	(2,172)	214,042			5
6	Maintenance	55,918	389	125,396	181,703	60	181,763	13,550	195,313			6
7	Other (specify):*											7
8	TOTAL General Services	500,449	480,807	348,210	1,329,466	(37,697)	1,291,769	6,236	1,298,005			8
	B. Health Care and Programs											
9	Medical Director			24,900	24,900		24,900		24,900			9
10	Nursing and Medical Records	2,547,969	207,368	8,444	2,763,781	1,911	2,765,692	(16,933)	2,748,759			10
10a	Therapy	72,851			72,851		72,851		72,851			10a
11	Activities	98,121	2,595	4,887	105,603		105,603	(1,343)	104,260			11
12	Social Services	31,201			31,201		31,201		31,201			12
13	Nurse Aide Training											13
14	Program Transportation											14
15	Other (specify):*											15
16	TOTAL Health Care and Programs	2,750,142	209,963	38,231	2,998,336	1,911	3,000,247	(18,276)	2,981,971			16
	C. General Administration											
17	Administrative	156,241			156,241		156,241		156,241			17
18	Directors Fees											18
19	Professional Services			638,199	638,199		638,199	(569,015)	69,184			19
20	Dues, Fees, Subscriptions & Promotions			59,165	59,165		59,165	(47,566)	11,599			20
21	Clerical & General Office Expenses	457,899	14,482	58,986	531,367	112	531,479	(32,281)	499,198			21
22	Employee Benefits & Payroll Taxes			438,580	438,580	35,674	474,254	53,369	527,623			22
23	Inservice Training & Education											23
24	Travel and Seminar			1,771	1,771		1,771	12,715	14,486			24
25	Other Admin. Staff Transportation											25
26	Insurance-Prop.Liab.Malpractice			216,496	216,496		216,496	295	216,791			26
27	Other (specify):* bad debts			(18,445)	(18,445)		(18,445)	18,445				27
28	TOTAL General Administration	614,140	14,482	1,394,752	2,023,374	35,786	2,059,160	(564,038)	1,495,122			28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	3,864,731	705,252	1,781,193	6,351,176		6,351,176	(576,078)	5,775,098			29

*Attach a schedule if more than one type of cost is included on this line, or if the total exceeds \$1000.

NOTE: Include a separate schedule detailing the reclassifications made in column 5. Be sure to include a detailed explanation of each reclassification.

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Facility Name & ID Number

Alden Terrace of McHenry Rehab

#0040691

Report Period Beginning:

01/01/2003

Ending:

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V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost Per General Ledger				Reclass- ification 5	Reclassified Total 6	Adjust- ments 7	Adjusted Total 8	FOR OHF USE ONLY		
		Salary/Wage 1	Supplies 2	Other 3	Total 4					9	10	
	D. Ownership											
30	Depreciation			58,882	58,882		58,882	12,405	71,287			30
31	Amortization of Pre-Op. & Org.							1,794	1,794			31
32	Interest			311,638	311,638		311,638	(252,500)	59,138			32
33	Real Estate Taxes			228,893	228,893		228,893	7,357	236,250			33
34	Rent-Facility & Grounds			2,397,145	2,397,145		2,397,145		2,397,145			34
35	Rent-Equipment & Vehicles			12,373	12,373		12,373	23,436	35,809			35
36	Other (specify):*											36
37	TOTAL Ownership			3,008,931	3,008,931		3,008,931	(207,508)	2,801,423			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers		249,638	379,073	628,711		628,711	(175,297)	453,414			39
40	Barber and Beauty Shops											40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			173,010	173,010		173,010		173,010			42
43	Other (specify):*											43
44	TOTAL Special Cost Centers		249,638	552,083	801,721		801,721	(175,297)	626,424			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	3,864,731	954,890	5,342,207	10,161,828		10,161,828	(958,883)	9,202,945			45

*Attach a schedule if more than one type of cost is included on this line, or if the total exceeds \$1000.

Facility Name & ID Number Alden Terrace of McHenry Rehab

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Report Period Beginning:

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VI. ADJUSTMENT DETAIL

A. The expenses indicated below are non-allowable and should be adjusted out of Schedule V, pages 3 or 4 via column 7.

In column 2 below, reference the line on which the particular cost was included. (See instructions.)

	NON-ALLOWABLE EXPENSES	1 Amount	2 Refer- ence	3 OHF USE ONLY	
1	Day Care	\$ (1,343)	11	\$	1
2	Other Care for Outpatients				2
3	Governmental Sponsored Special Programs				3
4	Non-Patient Meals				4
5	Telephone, TV & Radio in Resident Rooms				5
6	Rented Facility Space				6
7	Sale of Supplies to Non-Patients				7
8	Laundry for Non-Patients				8
9	Non-Straightline Depreciation				9
10	Interest and Other Investment Income	(1,243)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(1,676)	2		13
14	Non-Care Related Interest				14
15	Non-Care Related Owner's Transactions				15
16	Personal Expenses (Including Transportation)				16
17	Non-Care Related Fees	(33,282)	21		17
18	Fines and Penalties	(105)	32		18
19	Entertainment				19
20	Contributions	(2,636)	20		20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers	(8,979)	19		22
23	Malpractice Insurance for Individuals				23
24	Bad Debt	18,445	27		24
25	Fund Raising, Advertising and Promotional	(41,925)	20		25
26	Income Taxes and Illinois Personal Property Replacement Tax				26
27	Nurse Aide Training for Non-Employees				27
28	Yellow Page Advertising				28
29	Other-Attach Schedule				29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (72,744)		\$	30

OHF USE ONLY						
48		49	50	51	52	

B. If there are expenses experienced by the facility which do not appear in the general ledger, they should be entered below.(See instructions.)

		1 Amount	2 Reference	
31	Non-Paid Workers-Attach Schedule*	\$		31
32	Donated Goods-Attach Schedule*			32
33	Amortization of Organization & Pre-Operating Expense			33
34	Adjustments for Related Organization Costs (Schedule VII)	(514,629)	pg 6s	34
35	Other- Attach Schedule	(371,510)	pg 5a	35
36	SUBTOTAL (B): (sum of lines 31-35)	\$ (886,139)		36
37	(sum of SUBTOTALS TOTAL ADJUSTMENTS (A) and (B))	\$ (958,883)		37

*These costs are only allowable if they are necessary to meet minimum licensing standards. Attach a schedule detailing the items included on these lines.

C. Are the following expenses included in Sections A to D of pages 3 and 4? If so, they should be reclassified into Section E. Please reference the line on which they appear before reclassification. (See instructions.)

		1 Yes	2 No	3 Amount	4 Reference	
38	Medically Necessary Transport.		x	\$		38
39			x			39
40	Gift and Coffee Shops		x			40
41	Barber and Beauty Shops		x			41
42	Laboratory and Radiology		x			42
43	Prescription Drugs		x			43
44	Exceptional Care Program		x			44
45	Other-Attach Schedule		x			45
46	Other-Attach Schedule		x			46
47	TOTAL (C): (sum of lines 38-46)			\$		47

Alden Terrace of McHenry Rehab

ID# 0040691

Report Period Beginning: 01/01/2003

Ending: 12/31/2003

NON-ALLOWABLE EXPENSES		Amount	Sch. V Line Reference
1	Add back prior yr Credit on accounting fee	\$ 1,500	19 1
2	late fees on utilities	(5,960)	5 2
3			3
4			4
5	intercompany interest gl 7031(T.Syst portion allowed)	(302,424)	32 5
6	Back out 30.13% of pac dues in IHCA dues	(3,579)	20 6
7	Marketing Manager 6701-100-009	(61,489)	21 7
8	Reclass V. Settlements from ln 21 to ln 6 (mainten)	(8,884)	6 8
9	Reclass V. Settlements from ln 21 to ln 6 (mainten)	8,884	21 9
10	Back out Prior Yrs V.Sett cost adjustment (cr)	8,884	6 10
11	Back out misc inc (4977) cash receipts: med.records	(339)	21 11
12	Back out misc inc (4977) cash receipts: insur claim	(2,289)	6 12
13	Back out misc inc (4977) cash receipts: food rebates	(1,282)	2 13
14	Adj deferred maint exp to correct amt (painting)	3,998	6 14
15	Marketing Employ.Benefits Deduction	(8,530)	22 15
16			16
17			17
18			18
19			19
20			20
21			21
22			22
23			23
24			24
25			25
26			26
27			27
28			28
29			29
30			30
31			31
32			32
33			33
34			34
35			35
36			36
37			37
38			38
39			39
40			40
41			41
42			42
43			43
44			44
45			45
46			46
47			47
48			48
49	Total	(371,510)	49

STATE OF ILLINOIS

Summary A

Facility Name & ID Number Alden Terrace of McHenry Rehab

0040691

Report Period Beginning:

01/01/2003

Ending:

12/31/2003

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

	Operating Expenses	PAGES 5 & 5A	PAGE 6	PAGE 6A	PAGE 6B	PAGE 6C	PAGE 6D	PAGE 6E	PAGE 6F	PAGE 6G	PAGE 6H	PAGE 6I	SUMMARY TOTALS (to Sch V, col.7)	
	A. General Services													
1	Dietary	0	0	0	0	0	0	0	0	0	0	0	0	1
2	Food Purchase	(2,958)	0	0	(2,184)	0	0	0	0	0	0	0	(5,142)	2
3	Housekeeping	0	0	0	0	0	0	0	0	0	0	0	0	3
4	Laundry	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Heat and Other Utilities	(5,960)	0	3,788	0	0	0	0	0	0	0	0	(2,172)	5
6	Maintenance	1,709	0	12,302	0	0	0	(45)	(416)	0	0	0	13,550	6
7	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	7
8	TOTAL General Services	(7,209)	0	16,090	(2,184)	0	0	(45)	(416)	0	0	0	6,236	8
	B. Health Care and Programs													
9	Medical Director	0	0	0	0	0	0	0	0	0	0	0	0	9
10	Nursing and Medical Records	0	0	0	(16,056)	(877)	0	0	0	0	0	0	(16,933)	10
10a	Therapy	0	0	0	0	0	0	0	0	0	0	0	0	10a
11	Activities	(1,343)	0	0	0	0	0	0	0	0	0	0	(1,343)	11
12	Social Services	0	0	0	0	0	0	0	0	0	0	0	0	12
13	Nurse Aide Training	0	0	0	0	0	0	0	0	0	0	0	0	13
14	Program Transportation	0	0	0	0	0	0	0	0	0	0	0	0	14
15	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	15
16	TOTAL Health Care and Programs	(1,343)	0	0	(16,056)	(877)	0	0	0	0	0	0	(18,276)	16
	C. General Administration													
17	Administrative	0	0	0	0	0	0	0	0	0	0	0	0	17
18	Directors Fees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Professional Services	(7,479)	0	(561,536)	0	0	0	0	0	0	0	0	(569,015)	19
20	Fees, Subscriptions & Promotions	(48,140)	0	574	0	0	0	0	0	0	0	0	(47,566)	20
21	Clerical & General Office Expenses	(86,226)	0	33,771	13,521	6,653	0	0	0	0	0	0	(32,281)	21
22	Employee Benefits & Payroll Taxes	(8,530)	0	60,383	0	1,516	0	0	0	0	0	0	53,369	22
23	Inservice Training & Education	0	0	0	0	0	0	0	0	0	0	0	0	23
24	Travel and Seminar	0	0	12,715	0	0	0	0	0	0	0	0	12,715	24
25	Other Admin. Staff Transportation	0	0	0	0	0	0	0	0	0	0	0	0	25
26	Insurance-Prop.Liab.Malpractice	0	0	295	0	0	0	0	0	0	0	0	295	26
27	Other (specify):*	18,445	0	0	0	0	0	0	0	0	0	0	18,445	27
28	TOTAL General Administration	(131,930)	0	(453,798)	13,521	8,169	0	0	0	0	0	0	(564,038)	28
29	TOTAL Operating Expense (sum of lines 8,16 & 28)	(140,482)	0	(437,708)	(4,719)	7,292	0	(45)	(416)	0	0	0	(576,078)	29

STATE OF ILLINOIS

Summary B

Facility Name & ID Number Alden Terrace of McHenry Rehab

0040691

Report Period Beginning:

01/01/2003

Ending:

12/31/2003

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

	Capital Expense	PAGES 5 & 5A	PAGE 6	PAGE 6A	PAGE 6B	PAGE 6C	PAGE 6D	PAGE 6E	PAGE 6F	PAGE 6G	PAGE 6H	PAGE 6I	SUMMARY TOTALS (to Sch V, col.7)	
	D. Ownership													
30	Depreciation	0	0	10,584	0	1,821	0	0	0	0	0	0	12,405	30
31	Amortization of Pre-Op. & Org.	0	0	1,710	0	0	84	0	0	0	0	0	1,794	31
32	Interest	(303,772)	0	50,535	0	610	127	0	0	0	0	0	(252,500)	32
33	Real Estate Taxes	0	0	7,103	0	254	0	0	0	0	0	0	7,357	33
34	Rent-Facility & Grounds	0	0	0	0	0	0	0	0	0	0	0	0	34
35	Rent-Equipment & Vehicles	0	0	23,436	0	0	0	0	0	0	0	0	23,436	35
36	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	36
37	TOTAL Ownership	(303,772)	0	93,368	0	2,685	211	0	0	0	0	0	(207,508)	37
	Ancillary Expense													
	E. Special Cost Centers													
38	Medically Necessary Transportation	0	0	0	0	0	0	0	0	0	0	0	0	38
39	Ancillary Service Centers	0	0	0	(21,797)	(28,069)	(125,431)	0	0	0	0	0	(175,297)	39
40	Barber and Beauty Shops	0	0	0	0	0	0	0	0	0	0	0	0	40
41	Coffee and Gift Shops	0	0	0	0	0	0	0	0	0	0	0	0	41
42	Provider Participation Fee	0	0	0	0	0	0	0	0	0	0	0	0	42
43	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	43
44	TOTAL Special Cost Centers	0	0	0	(21,797)	(28,069)	(125,431)	0	0	0	0	0	(175,297)	44
	GRAND TOTAL COST													
45	(sum of lines 29, 37 & 44)	(444,254)	0	(344,340)	(26,516)	(18,092)	(125,220)	(45)	(416)	0	0	0	(958,883)	45

VII. RELATED PARTIES

A. Enter below the names of ALL owners and related organizations (parties) as defined in the instructions. Attach an additional schedule if necessary.

1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES		
Name	Ownership %	Name	City	Name	City	Type of Business
See page 6K...				See Page 6K...		

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. ☐ YES ☐ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V		2 Line	3 Cost Per General Ledger	4 Amount	5 Cost to Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
			Item		Name of Related Organization				
1	V			\$			\$	\$	1
2	V								2
3	V								3
4	V								4
5	V								5
6	V								6
7	V								7
8	V								8
9	V								9
10	V								10
11	V								11
12	V								12
13	V								13
14	Total			\$			\$	\$ *	14

* Total must agree with the amount recorded on line 34 of Schedule VI.

Facility Name & ID Number Alden Terrace of McHenry Rehab

0040691

Report Period Beginning: 01/01/2003 Ending: 12/31/2003

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. ☒ YES ☐ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:	
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)	
15	V	22 employee benefits	\$	Alden Management Services, Inc.	0.00%	\$ 60,383	\$ 60,383	15
16	V	19 professional fees	578,349	Alden Management Services, Inc.		16,813	(561,536)	16
17	V	21 gen'l & admin		Alden Management Services, Inc.		33,771	33,771	17
18	V	5 utilities		Alden Management Services, Inc.		3,788	3,788	18
19	V	6 maintenance		Alden Management Services, Inc.		12,302	12,302	19
20	V	24 travel & seminar		Alden Management Services, Inc.		12,715	12,715	20
21	V	26 insurance		Alden Management Services, Inc.		295	295	21
22	V	20 dues & subscriptions		Alden Management Services, Inc.		574	574	22
23	V	30 depreciation		Alden Management Services, Inc.		10,584	10,584	23
24	V	31 amortization		Alden Management Services, Inc.		1,710	1,710	24
25	V	33 real estate tax		Alden Management Services, Inc.		7,103	7,103	25
26	V	35 rent-equip & vehicles		Alden Management Services, Inc.		23,436	23,436	26
27	V	32 interest		Alden Management Services, Inc.		50,535	50,535	27
28	V							28
29	V							29
30	V							30
31	V							31
32	V							32
33	V							33
34	V							34
35	V							35
36	V							36
37	V							37
38	V							38
39	Total		\$ 578,349			\$ 234,009	\$ * (344,340)	39

* Total must agree with the amount recorded on line 34 of Schedule VI.

Facility Name & ID Number Alden Terrace of McHenry Rehab

0040691

Report Period Beginning: 1/1/2003

Ending: 12/31/2003

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. ☒ YES ☐ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)
15	V	2 tube-feeding	\$ 36,901	Pyramid Health Care	100.00%	\$ 34,717	\$ (2,184)
16	V	10 nursing supplies	20,935	Pyramid Health Care		4,879	(16,056)
17	V	39 per diems/other supplies	47,384	Pyramid Health Care		25,587	(21,797)
18	V	21 gen'l & admin		Pyramid Health Care		13,521	13,521
19	V						
20	V						
21	V						
22	V						
23	V						
24	V						
25	V						
26	V						
27	V						
28	V						
29	V						
30	V						
31	V						
32	V						
33	V						
34	V						
35	V						
36	V						
37	V						
38	V						
39	Total		\$ 105,220			\$ 78,704	\$ * (26,516)

* Total must agree with the amount recorded on line 34 of Schedule VI.

Facility Name & ID Number Alden Terrace of McHenry Rehab

0040691

Report Period Beginning: 01/01/2003 Ending: 12/31/2003

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. ☒ YES ☐ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)
15	V	39 drugs	\$ 92,632	Forum Extended Care II	100.00%	\$ 78,257	\$ (14,375)
16	V	10 house stock	5,647	Forum Extended Care II		4,770	(877)
17	V	39 I.V.	88,240	Forum Extended Care II		74,546	(13,694)
18	V	22 employee benefits		Forum Extended Care II		1,516	1,516
19	V	21 gen't & admin		Forum Extended Care II		6,653	6,653
20	V	32 interest		Forum Extended Care II		610	610
21	V	33 real estate tax		Forum Extended Care II		254	254
22	V	30 depreciation		Forum Extended Care II		1,821	1,821
23	V						
24	V						
25	V						
26	V						
27	V						
28	V						
29	V						
30	V						
31	V						
32	V						
33	V						
34	V						
35	V						
36	V						
37	V						
38	V						
39	Total		\$ 186,519			\$ 168,427	\$ * (18,092)

* Total must agree with the amount recorded on line 34 of Schedule VI.

Facility Name & ID Number Alden Terrace of McHenry Rehab

0040691

Report Period Beginning: 1/1/2003

Ending: 12/31/2003

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. ☒ YES ☐ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)
15	V	39 therapy	\$ 370,510	Community Physical Therapy	0.00%	\$ 245,079	\$ (125,431)
16	V	32 interest		Community Physical Therapy		127	127
17	V	31 amortization		Community Physical Therapy		84	84
18	V						
19	V						
20	V						
21	V						
22	V						
23	V						
24	V						
25	V						
26	V						
27	V						
28	V						
29	V						
30	V						
31	V						
32	V						
33	V						
34	V						
35	V						
36	V						
37	V						
38	V						
39	Total		\$ 370,510			\$ 245,290	\$ * (125,220)

* Total must agree with the amount recorded on line 34 of Schedule VI.

Facility Name & ID Number Alden Terrace of McHenry Rehab# 0040691Report Period Beginning: 01/01/2003 Ending: 12/31/2003

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. ☒ YES ☐ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V	2 Line	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
		Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization		
15	V	6 repairs and maintenance	\$ 14,008	Alden Bennett Construction		\$ 13,963	\$ (45)	15
16	V							16
17	V							17
18	V							18
19	V							19
20	V							20
21	V							21
22	V							22
23	V							23
24	V							24
25	V							25
26	V							26
27	V							27
28	V							28
29	V							29
30	V							30
31	V							31
32	V							32
33	V							33
34	V							34
35	V							35
36	V							36
37	V							37
38	V							38
39	Total		\$ 14,008			\$ 13,963	\$ * (45)	39

* Total must agree with the amount recorded on line 34 of Schedule VI.

Facility Name & ID Number Alden Terrace of McHenry Rehab

0040691

Report Period Beginning: 01/01/2003

Ending: 12/31/2003

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. ☒ YES ☐ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:	
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)	
15	V	6 CARPET CLEANING	\$ 784	ALDEN REALTY - CARPET CARE		\$ 730	\$ (54)	15
16	V	6 FLOOR CLEANING	6,370	ALDEN REALTY - FLOOR CARE		6,008	(362)	16
17	V							17
18	V							18
19	V							19
20	V							20
21	V							21
22	V							22
23	V							23
24	V							24
25	V							25
26	V							26
27	V							27
28	V							28
29	V							29
30	V							30
31	V							31
32	V							32
33	V							33
34	V							34
35	V							35
36	V							36
37	V							37
38	V							38
39	Total		\$ 7,154			\$ 6,738	\$ * (416)	39

* Total must agree with the amount recorded on line 34 of Schedule VI.

STATE OF ILLINOIS

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Facility Name & ID Number ALDEN NURSING CENTER - McHenry

004-0691

Report Period Beginning 01/01/03

Ending: 12/31/03

RELATED NURSING HOMES	
Name	City
Note: ANC = Alden Nursing Center	
ANC Lakeland	Chicago
ANC Long Grove	Long Grove
ANC Heather	Harvey
ANC Lincoln Park	Chicago
ANC Northmoor	Chicago
ANC Town Manor	Chicago
ANC Waterford	Aurora
ANC Morrow	Chicago
ANC Wentworth	Chicago
ANC Naperville	Naperville
ANC Valley Ridge	Bloomington
ANC Village for Children & Young Adults	Bloomington
ANC Orland Park	Orland Park
ANC Princeton	Chicago
Alden of Old Town East	Bloomington
Alden of Old Town West	Bloomington
Alden Trails	Bloomington
Alden Northshore	Skokie
ANC Des Plaines	Des Plaines
ANC Des Plaines II	Des Plaines
ANC Alma Nelson	Rockford
ANC Park Stratmoor	Rockford
ANC Meadow Park	Rockford
ANC Poplar Creek	Hoffman Estates
ANC Governors Park	Barrington

OTHER RELATED BUSINESS ENTITIES		
Name	City	Type of Business
The Forum Prof. Center	Chicago	Office rental
Pyramid Health Care	Chicago	Nursing supplies
Forum Extended Care II	Chicago	Pharmacy
Alden Management	Chicago	Management
Alden Estates of Evanston	Evanston	Assisted living
Community Physical Therapy	Wood Dale	Therapy provider
Courts of Waterford	Aurora	Alzheimers unit
Gardens of Waterford	Aurora	Assisted living

STATE OF ILLINOIS

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Facility Name & ID Number Alden Terrace of McHenry Rehab # 0040691 Report Period Beginning: 01/01/2003 Ending: 12/31/2003

VII. RELATED PARTIES (continued)

C. Statement of Compensation and Other Payments to Owners, Relatives and Members of Board of Directors.

NOTE: ALL owners (even those with less than 5% ownership) and their relatives who receive any type of compensation from this home must be listed on this schedule.

	1 Name	2 Title	3 Function	4 Ownership Interest	5 Compensation Received From Other Nursing Homes*	6 Average Hours Per Work Week Devoted to this Facility and % of Total Work Week		7 Compensation Included in Costs for this Reporting Period**		8 Schedule V. Line & Column Reference	
						Hours	Percent	Description	Amount		
1	Floyd A Schlossberg	President/CFO		100.00	326,861	2.272	5.68	salary	\$ 19,690	17-1	1
2	Lauren Magnussen	Clinical Coordinator		A	82,118	2.272	5.68	salary	4,946	10-1	2
3	Terry Magnussen	Maintenance Supr		A	79,410	2.272	5.68	salary	4,784	6-1	3
4											4
5											5
6	a. Floyd Schlossberg is the President and sole stockholder of Alden Management Services, Inc.										6
7	b. Lauren Magnusson is the daughter of Floyd Schlossberg. Lauren is a nurse coordinator.										7
8	c. Terry Magnusson is the son-in-law of Floyd Schlossberg. Terry is in maintenance and construction.										8
9											9
10											10
11											11
12											12
13								TOTAL	\$ 29,420		13

* If the owner(s) of this facility or any other related parties listed above have received compensation from other nursing homes, attach a schedule detailing the name(s) of the home(s) as well as the amount paid. THIS AMOUNT MUST AGREE TO THE AMOUNTS CLAIMED ON THE THE OTHER NURSING HOMES' COST REPORTS.

** This must include all forms of compensation paid by related entities and allocated to Schedule V of this report (i.e., management fees).
FAILURE TO PROPERLY COMPLETE THIS SCHEDULE INDICATING ALL FORMS OF COMPENSATION RECEIVED FROM THIS HOME.
ALL OTHER NURSING HOMES AND MANAGEMENT COMPANIES MAY RESULT IN THE DISALLOWANCE OF SUCH COMPENSATION

Facility Name & ID Number Alden Terrace of McHenry Rehab # 0040691 Report Period Beginning: 01/01/2003 Ending: 2/31/2003

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES ☒ NO ☐

Name of Related Organization Alden Management Services, Inc.
 Street Address 4200 W. Peterson
 City / State / Zip Code Chicago, IL 60646
 Phone Number (773-286-3883
 Fax Number (773-286-3743

B. Show the allocation of costs below. If necessary, please attach worksheets.

1 Schedule V Line Reference	2 Item	3 Unit of Allocation (i.e., Days, Direct Cost, Square Feet)	4 Total Units	5 Number of Subunits Being Allocated Among	6 Total Indirect Cost Being Allocated	7 Amount of Salary Cost Contained in Column 6	8 Facility Units	9 Allocation (col.8/col.4)x col.6	
1	see page 8a...				\$	\$		\$	1
2									2
3									3
4									4
5									5
6									6
7									7
8									8
9									9
10									10
11									11
12									12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
25	TOTALS				\$	\$		\$	25

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE

A. Interest: (Complete details must be provided for each loan - attach a separate schedule if necessary.)

1		2		3		4		5		6		7		8		9		10	
	Name of Lender	Related**		Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note		Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense								
		YES	NO				Original	Balance											
	A. Directly Facility Related Long-Term																		
1							\$		\$										1
2																			2
3																			3
4																			4
5																			5
	Working Capital																		
6	Cpt/Iht interest-	x		working capital													127		6
7	FECII Interest	x		working capital													610		7
8	Ams, plus T. Syt Interest	x		working capital													59,644		8
9	TOTAL Facility Related						\$		\$								60,381		9
	B. Non-Facility Related*																		
10	offset interest expense with interest income in gl 4975 & 4646																(1,243)		10
11																			11
12																			12
13																			13
14	TOTAL Non-Facility Related						\$		\$								(1,243)		14
15	TOTALS (line 9+line14)						\$		\$								59,138		15

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. \$ _____ Line # _____

* Any interest expense reported in this section should be adjusted out on page 5, line 14 and, consequently, page 4, col. 7.
(See instructions.)

** If there is ANY overlap in ownership between the facility and the lender, this must be indicated in column 2.
(See instructions.)

Facility Name & ID Number Alden Terrace of McHenry Rehab

0040691 Report Period Beginning: 01/01/2003 Ending: 12/31/2003

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE (continued)

B. Real Estate Taxes

1. Real Estate Tax accrual used on 2002 report.		Important , please see the next worksheet, "RE_Tax". The real estate tax statement and bill must accompany the cost report.	\$	210,000	1
2. Real Estate Taxes paid during the year: (Indicate the tax year to which this payment applies. If payment covers more than one year, detail below.)			\$	216,193	2
3. Under or (over) accrual (line 2 minus line 1).			\$	6,193	3
4. Real Estate Tax accrual used for 2003 report. (Detail and explain your calculation of this accrual on the lines below.)			\$	222,700	4
5. Direct costs of an appeal of tax assessments which has NOT been included in professional fees or other general operating costs on Schedule V, sections A, B or C. (Describe appeal cost below. Attach copies of invoices to support the cost and a copy of the appeal filed with the county.)			\$		5
6. Subtract a refund of real estate taxes. You must offset the full amount of any direct appeal costs classified as a real estate tax cost plus one-half of any remaining refund. TOTAL REFUND \$ For Tax Year. (Attach a copy of the real estate tax appeal board's decision.)			\$		6
7. Real Estate Tax expense reported on Schedule V, line 33. This should be a combination of lines 3 thru 6.			\$	228,893	7
Real Estate Tax History:					
Real Estate Tax Bill for Calendar Year:	1998	184,317	8		
	1999	189,593	9		
	2000	202,250	10		
	2001	203,951	11		
	2002	216,193	12		
Current year accrual is an estimate based on a 3% increase of prior year bill.					
				13	FROM R. E. TAX STATEMENT FOR 2002 \$ 13
				14	PLUS APPEAL COST FROM LINE 5 \$ 14
				15	LESS REFUND FROM LINE 6 \$ 15
				16	AMOUNT TO USE FOR RATE CALCULATION \$ 16

NOTES:

1. Please indicate a negative number by use of brackets(). Deduct any overaccrual of taxes from prior year.
2. If facility is a non-profit which pays real estate taxes, you must attach a denial of an application for real estate tax exemption unless the building is rented from a for-profit entity.
This denial must be no more than four years old at the time the cost report is filed.

IMPORTANT NOTICE

TO: Long Term Care Facilities with Real Estate Tax Rates **RE:** 2002 REAL ESTATE TAX COST DOCUMENTATION

In order to set the real estate tax portion of the capital rate, it is necessary that we obtain additional information regarding your calendar 2002 real estate tax costs, as well as copies of your real estate tax bills for calendar 2002.

Please complete the Real Estate Tax Statement below and forward with a copy of your 2002 real estate tax bill to the Department of Public Aid, Office of Health Finance, 201 South Grand Avenue East, Springfield, Illinois 62763.

Please send these items in with your completed 2003 cost report. The cost report will not be considered complete and timely filed until this statement and the corresponding real estate tax bills are filed. If you have any questions, please call the Office of Health Finance at (217) 782-1630.

2002 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Alden Terrace of McHenry Rehab COUNTY McHenry

FACILITY IDPH LICENSE NUMBER 0040691

CONTACT PERSON REGARDING THIS REPORT Steven M. Kroll

TELEPHONE 773-286-3883 FAX #: 773-286-3743

A. Summary of Real Estate Tax Cost

Enter the tax index number and real estate tax assessed for 2002 on the lines provided below. Enter only the portion of the cost that applies to the operation of the nursing home in Column D. Real estate tax applicable to any portion of the nursing home property which is vacant, rented to other organizations, or used for purposes other than long term care must not be entered in Column D. Do not include cost for any period other than calendar year 2002.

(A)	(B)	(C)	(D) <u>Tax</u> <u>Applicable to</u> <u>Nursing Home</u>
<u>Tax Index Number</u>	<u>Property Description</u>	<u>Total Tax</u>	
1. <u>09-34-177-006</u>	<u>Nursing home facility</u>	\$ <u>3,183.16</u>	\$ <u>3,183.16</u>
2. <u>09-34-177-009</u>	<u>Nursing home facility</u>	\$ <u>212,776.08</u>	\$ <u>212,776.08</u>
3. <u>09-34-177-010</u>	<u>Nursing home facility</u>	\$ <u>233.66</u>	\$ <u>233.66</u>
4. _____	<u>Related Party - Alden Management</u>	\$ <u>125,008.00</u>	\$ <u>7,103.00</u>
5. _____	<u>Related Party - Forum</u>	\$ <u>8,317.00</u>	\$ <u>254.00</u>
6. _____	_____	\$ _____	\$ _____
7. _____	_____	\$ _____	\$ _____
8. _____	_____	\$ _____	\$ _____
9. _____	_____	\$ _____	\$ _____
10. _____	_____	\$ _____	\$ _____
TOTALS		\$ <u><u>349,517.90</u></u>	\$ <u><u>223,549.90</u></u>

B. Real Estate Tax Cost Allocations

Does any portion of the tax bill apply to more than one nursing home, vacant property, or property which is not directly used for nursing home services? _____ YES _____ NO

If YES, attach an explanation & a schedule which shows the calculation of the cost allocated to the nursing home. (Generally the real estate tax cost must be allocated to the nursing home based upon sq. ft. of space used.)

C. Tax Bills

Attach a copy of the 2002 tax bills which were listed in Section A to this statement. Be sure to use the 2002 tax bill which is normally paid during 2003.

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 90,000

B. General Construction Type: Exterior masonry Frame

Number of Stories 3

C. Does the Operating Entity?
 ☐ (a) Own the Facility
 ☐ (b) Rent from a Related Organization.
 ☒ (c) Rent from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI. Those checking (c) may complete Schedule XI or Schedule XII-A. See instructions.)

D. Does the Operating Entity?
 ☐ (a) Own the Equipment
 ☐ (b) Rent equipment from a Related Organization.
 ☒ (c) Rent equipment from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI-C. Those checking (c) may complete Schedule XI-C or Schedule XII-B. See instructions.)

E. List all other business entities owned by this operating entity or related to the operating entity that are located on or adjacent to this nursing home's grounds (such as, but not limited to, apartments, assisted living facilities, day training facilities, day care, independent living facilities, nurse aide training facilities, etc.) List entity name, type of business, square footage, and number of beds/units available (where applicable).

F. Does this cost report reflect any organization or pre-operating costs which are being amortized?
 ☐ YES
 ☒ NO

If so, please complete the following:

1. Total Amount Incurred:

2. Number of Years Over Which it is Being Amortized:

3. Current Period Amortization:

4. Dates Incurred:

Nature of Costs:

(Attach a complete schedule detailing the total amount of organization and pre-operating costs.)

XI. OWNERSHIP COSTS:

A. Land.

	1	2	3	4	
	Use	Square Feet	Year Acquired	Cost	
1	n/a			\$	1
2					2
3	TOTALS			\$	3

Facility Name & ID Number Alden Terrace of McHenry Rehab

0040691

Report Period Beginning:

01/01/2003 Ending: 12/31/2003

XL OWNERSHIP COSTS (continued)**B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.**

	1	2	3	4	5	6	7	8	9		
	Beds*	FOR OHF USE ONLY	Year Acquired	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
4	Related party-Forum			1978	\$ 15,909	\$	22	\$	\$	\$ 15,909	4
5											5
6											6
7											7
8											8
	Improvement Type**										
9	Climate Service (Ventilation)			1995	1,828	122	15	122		1,046	9
10	Climate Service (Ventilation)			1995	1,915	128	15	128		1,085	10
11	Climate Service Controls			1995	2,885	192	15	192		1,635	11
12	Climate Service-Controls			1995	1,251	83	15	83		709	12
13	Climate Service (A/C Motors,Transformer)			1995	1,840	123	15	123		1,032	13
14	climate Services Controls			1995	1,200	80	15	80		667	14
15	JD & Sons-Roofing			1995	7,500	750	10	750		6,250	15
16	Grat Lakes Plumbing_Discahrge Pump			1995	3,563	238	15	238		1,979	16
17	Midwest Wlectrical			1995	3,332		5			3,332	17
18	Climate Services, Inc.-Ventilation			1995	2,295	153	15	153		1,250	18
19	CSI-New Pump			1995	1,483	148	10	148		1,199	19
20	Eagle Flag & Banner			1995	680	57	12	57		468	20
21	Equipment International_Repair Dishwasher			1996	1,793		5			1,793	21
22	JD & Sons-Roofing			1996	7,700	770	10	770		5,775	22
23	ABC_Roof top Condensor			1996	8,668	867	10	867		6,392	23
24	Install Walk in refrigeratror			1997	2,177		5			2,177	24
25	Install Ceramic Tile			1997	1,535		5			1,535	25
26	Engine/generator repaired			1997	3,099		5			3,099	26
27	New Cylinder			1997	12,800		5			12,800	27
28	Instll new condenser			1997	8,166		5			8,166	28
29	Install new cylinder			1997	15,300		5			15,300	29
30	Install Floor tile			1997	4,102		5			4,102	30
31	HVAC Boiler			1997	5,888		5			5,888	31
32	Custom wall plates			1997	386	39	10	39		241	32
33	A&B Custom Cable Wall plates			1997	1,918	192	10	192		1,199	33
34											34
35											35
36											36

*Total beds on this schedule must agree with page 2.

**Improvement type must be detailed in order for the cost report to be considered complete.

See Page 12A, Line 70 for total

STATE OF ILLINOIS

Page 12A

Facility Name & ID Number Alden Terrace of McHenry Rehab

0040691

Report Period Beginning:

01/01/2003 Ending: 12/31/2003

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1	2	3	4	5	6	7	8	9	
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation		
37	Wigdahl Electric (install new fixtures, relocate outlets)	1998	\$ 1,759	\$	5	\$	\$	\$ 1,759	37	
38	Wigdahl Electric (repair lighting, timeclock)	1998	1,853		5			1,853	38	
39	Climate Service (repaired boiler)	1998	16,029	1,603	10	1,603		9,484	39	
40	Atash (repair spinkler system)	1998	1,558	156	10	156		935	40	
41	J.D. & Son (roof repair)	1998	10,000	1,000	10	1,000		5,500	41	
42	CSI (dietary refrigerator)	1998	1,670	167	10	167		919	42	
43	CSI (sump cover)	1998	4,900	490	10	490		2,613	43	
44	Patten (generator repairs)	1998	3,856	193	20	193		1,044	44	
45	CSI (insulate duct on air handler)	1998	2,750	183	15	183		978	45	
46	CSI (repair air conditioner)	1998	1,698	170	10	170		905	46	
47	CSI (replace gaskets on hot water coil)	1998	3,934	197	20	197		1,016	47	
48	North Town Food Service (repair dish machine)	1999	1,861	186	10	186		931	48	
49	Alden Bennet Construction (tank replacement)	1999	8,649	346	25	346		1,672	49	
50	Patten (Fuel Tank Repairs, need invoice)	1999	1,724	172	10	172		804	50	
51	Chicago Cooling Corp. (repair of unit 5, and inspection)6/99	1999	2,367	237	10	237		1,085	51	
52	Climate Service, Inc. (replace 15 ton condenser)	1999	9,374	625	15	625		2,812	52	
53	Climate Service, Inc.(replace 10 ton condenser)	1999	7,100	473	15	473		2,130	53	
54	Climate Service, Inc. (compressor)	1999	7,466	498	15	498		2,198	54	
55	Climate Service, Inc.(vac pump)	1999	1,644	110	15	110		475	55	
56	Climate Service, Inc.(compressor maintenance)	1999	1,728	115	15	115		490	56	
57	Capps Plumbing & Sewer(install trap & rodded pipes)	1999	1,835	184	10	184		780	57	
58	Climate Service, Inc.(tank repair and maintenance)	1999	2,380	95	25	95		389	58	
59	Shine Rite Maintenance(refinish tile floors)	1999	4,805	481	10	481		1,962	59	
60	Alden Bennet Construction (tile/roofing)	2000	8,214	821	10	821		3,149	60	
61	Alden Bennet Construction (tile/roofing)	2000	11,459	1,146	10	1,146		3,820	61	
62									62	
63									63	
64									64	
65									65	
66									66	
67									67	
68									68	
69									69	
70	TOTAL (lines 4 thru 69)		\$ 239,826	\$ 13,590		\$ 13,590	\$	\$ 154,731	70	

**Improvement type must be detailed in order for the cost report to be considered complete.

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

1	2	3	4	5	6	7	8	9	
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
1	Totals from Page 12A, Carried Forward		\$ 239,826	\$ 13,590		\$ 13,590	\$	\$ 154,731	1
2	Fox Valley Fire & Safety (replace smoke detectors)	2000	3,731	373	10	373		1,399	2
3	CSI Coker Service (repair dishwasher)	2000	3,299	330	10	330		1,237	3
4	Welding Supply Inc (repair alarm system)	2000	2,750	275	10	275		1,008	4
5	Welding Supply Inc (repair alarm system)	2000	6,649	665	10	665		2,438	5
6	Svstem Electric Inc (new controls for oxygen system)	2000	1,785	223	8	223		818	6
7	GT Mechanical (repair laundry compressor)	2000	2,700	270	10	270		945	7
8	CSI Coker Service (repair dishwasher)	2000	1,536	154	10	154		538	8
9	Equipment International (repair laundry equipment)	2000	1,670	167	10	167		571	9
10	GT Mechanical (repair pneumatic system compressor)	2000	2,431	243	10	243		830	10
11	Advanced Parts & Service (repair food processor)	2000	2,026	203	10	203		692	11
12	CSI Coker Service (repair boiler)	2000	5,985	599	10	599		1,895	12
13		2000			10				13
14		2000			10				14
15	Capps -Plumbing &2670(install new bolt flange checkvalve)	2001	1,865	124	15	124		373	15
16	Sentry Protection Systems (annual maintenance on the fire alarm a	2001	2,151	143	15	143		406	16
17	CSI- Coker Service, 039721	2001	1,523	152	10	152		432	17
18	Patten (replace with updated phase monitor)	2001	1,898	190	10	190		554	18
19	Rockford Steam(hvac work)	2001	6,562	656	10	656		1,750	19
20	GT Mechanical, Inc (repalce shaft)	2001	2,239		15				20
21	GT Mechanical(replace compressor)	2001	4,947	330	15	330		824	21
22	Alden Bennett Const. (lock install./repair)	2001	2,017	202	10	202		538	22
23	GT Mechanical, Inc (replace high pressure switch)	2001	2,516	168	15	168		405	23
24	CSI Coker (bldng. Improvement)	2001	1,708	114	15	114		294	24
25	Alden Bennett Const. (invoice to follow)	2001	20,742	2,074	10	2,074		5,877	25
26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		\$ 322,557	\$ 21,245		\$ 21,245	\$	\$ 178,555	34

**Improvement type must be detailed in order for the cost report to be considered complete.

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

1	2	3	4	5	6	7	8	9	10
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
1	Totals from Page 12B, Carried Forward		\$ 322,557	\$ 21,245		\$ 21,245		\$ 178,555	1
2	EQUINT Equipment International (gas dryer)	2002	3,240	324	10	324		405	2
3	AQUSER.REBUILD 2 WATER SOFTNE	2002	2,500	250	10	250		313	3
4	ALDBEN Alden Bennett Construct (need invoice)	2002	18,173	1,212	15	1,212		2,423	4
5	ENGSEC Engineered Security Sys	2002	3,091	206	15	206		292	5
6	ALDBEN Alden Bennett Construct	2002	25,143	1,676	15	1,676		2,514	6
7	ALDBEN Alden Bennett Construct (building improvement)	2002	3,391	226	15	226		377	7
8	TTIRRI T & T Irrigation Inc.(lawn sprinkler system)	2002	15,000	600	25	600		950	8
9	PATTEN (replace batteries of radiator & install crank case)	2002	1,517	101	15	101		177	9
10	FEMORA (REPLACED 50 SMOKE DETEC)	2002	8,364	836	10	836		1,533	10
11	FEMORA (REPAIR FIRE ALARM)	2002	3,374	337	10	337		647	11
12	GTMECH Gt Mechanical Inc (install new shaft & bearing).	2002	2,216	148	15	148		283	12
13	ALDBEN Alden Bennett Construct(install radar,painting & fire dr	2002	12,850	857	15	857		999	13
14	GTMECH Gt Mechanical Inc.(need supporting doc.)	2002	(2,239)		15				14
15	Aqua Service-overhaul-water softener units	2002	2,490	498	5	498		623	15
16	ABC various repairs	2002	54,669	2,733	20	2,733		3,417	16
17	ABC-various reopairs	2002	23,660	1,577	15	1,577		1,840	17
18	Aurora Tri State Fire-smoke detectors	2002	4,322	432	10	432		504	18
19	Aurora Tri State Fire-smoke detectors	2002	6,200	620	10	620		775	19
20	Aurora Tri State Fire-install alarms	2002	6,559	656	10	656		820	20
21	Simplex Grinnell-remove old andsul dry clean unit	2002	2,987	299	10	299		324	21
22									22
23									23
24									24
25									25
26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		\$ 520,063	\$ 34,833		\$ 34,833		\$ 197,771	34

**Improvement type must be detailed in order for the cost report to be considered complete.

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

1	2	3	4	5	6	7	8	9	10
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
1	Totals from Page 12C, Carried Forward		\$ 520,063	\$ 34,833		\$ 34,833		\$ 197,771	1
2	A&B Custom Cable-install cable/outlets	2003	4,908	286	10	286		286	2
3	GT Mechanical-boiler repair	2003	4,892	489	11	489		489	3
4	ABC-receiving door/sensor	2003	6,623	662	10	662		662	4
5	ABC-ceiling heaters installed	2003	4,570	419	10	419		419	5
6	ABC-aluminum outdoor fencing	2003	5,137	285	15	285		285	6
7	Real Green sprinkler maintenance	2003	3,730	435	5	435		435	7
8	GT Mechanical- HVAC air handler repairs	2003	1,533	128	5	128		128	8
9	Action Fence Contractor-rail pipe railings	2003	1,875	47	10	47		47	9
10									10
11									11
12									12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
25									25
26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		\$ 553,331	\$ 37,584		\$ 37,584		\$ 200,522	34

**Improvement type must be detailed in order for the cost report to be considered complete.

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

1	2	3	4	5	6	7	8	9	10
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
1	Totals from Page 12D, Carried Forward		\$ 553,331	\$ 37,584		\$ 37,584		\$ 200,522	1
2									2
3	Related Party-Forum:								3
4	Leasehold Improvement-Remodeling	1980	16,755		20			16,755	4
5	Leasehold Improvement-Remodeling	1980	1,047		10			1,047	5
6	Leasehold Improvement-Remodeling	1986	559		5			559	6
7	Leasehold Improvement-Remodeling	1990	350		5			350	7
8	Leasehold Improvement-Remodeling	1991	82		5			82	8
9	Leasehold Improvement-Remodeling	1993	7,732		10			7,732	9
10	Leasehold Improvement-Remodeling	1993	6,056		9.7			6,056	10
11	Leasehold Improvement-sign	1994	226	14	12	14		120	11
12	Leasehold Improvement-dryvit	1995	384	24	10	24		203	12
13	Leasehold Improvement-new ac	1999	626	39	15	39		203	13
14	Leasehold Improvement-roof	1985	843	44	19	44		843	14
15	Leasehold Improvement-roof	1994	748	47	15	47		529	15
16	Leasehold Improvement-roof	1997	710	44	15	44		349	16
17	Leasehold Improvement-roof	1998	1,205	75	15	75		507	17
18	Leasehold Improvement-parking lot asphalt	2000	96	32	10	32		63	18
19	Leasehold Improvement-hallway lighting	2001	135	27	10	27		56	19
20	Leasehold Improvement-DAI	2001	169	17	10	17		53	20
21	Leasehold Improvement-bathrooms	2002	630	63	10	63		80	21
22	Leasehold Improvement-Remodeling	2002	91	18	5	18		36	22
23	Leasehold Improvements-Remodeling	2003	1,638	164	10	164		164	23
24	Leasehold Improvements-Remodeling	2003	105	4	4	4		4	24
25									25
26	Related Party-AMS:								26
27	Leasehold Improvement-Remodeling	1993	6,132		7			6,132	27
28	Leasehold Improvement-Remodeling	2002	5,020	627	7	627		4,392	28
29	Leasehold Improvement-Remodeling	2003	5,251	660	7	660		4,611	29
30									30
31									31
32									32
33	Forum Extended Care, LLC-building/building improv	1999	15,137	378	40	378		1,896	33
34	TOTAL (lines 1 thru 33)		\$ 625,058	\$ 39,861		\$ 39,861		\$ 253,344	34

**Improvement type must be detailed in order for the cost report to be considered complete.

C. Equipment Depreciation-Excluding Transportation. (See instructions.)

	Category of Equipment	1 Cost	Current Book Depreciation 2	Straight Line Depreciation 3	4 Adjustments	Component Life 5	Accumulated Depreciation 6	
71	Purchased in Prior Years	\$ 261,672	\$ 24,544	\$ 24,544	\$	various	\$ 154,612	71
72	Current Year Purchases	42,703	3,510	3,510		various	3,510	72
73	Fully Depreciated Assets	54,925	1,320	1,320		various	54,925	73
74								74
75	TOTALS	\$ 359,300	\$ 29,374	\$ 29,374	\$		\$ 213,047	75

D. Vehicle Depreciation (See instructions.)*

	1 Use	Model, Make and Year 2	Year Acquired 3	4 Cost	Current Book Depreciation 5	Straight Line Depreciation 6	7 Adjustments	Life in Years 8	Accumulated Depreciation 9	
76	car engine/bus/van	: dodge/other	98-03	\$ 11,860	\$ 2,052	\$ 2,052	\$	3	\$ 11,658	76
77										77
78										78
79										79
80	TOTALS			\$ 11,860	\$ 2,052	\$ 2,052	\$		\$ 11,658	80

E. Summary of Care-Related Assets

	1 Reference	2 Amount	
81	Total Historical Cost (line 3, col.4 + line 70, col.4 + line 75, col.1 + line 80, col.4) + (Pages 12B thru 12I, if applicable)	\$ 996,218	81
82	Current Book Depreciation (line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$ 71,287	82
83	Straight Line Depreciation (line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$ 71,287	83 **
84	Adjustments (line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	\$	84
85	Accumulated Depreciation (line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	\$ 478,049	85

F. Depreciable Non-Care Assets Included in General Ledger. (See instructions.)

	1 Description & Year Acquired	2 Cost	Current Book Depreciation 3	Accumulated Depreciation 4	
86	n/a	\$	\$	\$	86
87					87
88					88
89					89
90					90
91	TOTALS	\$	\$	\$	91

G. Construction-in-Progress

	Description	Cost	
92	n/a	\$	92
93			93
94			94
95		\$	95

* Vehicles used to transport residents to & from day training must be recorded in XI-F, not XI-D.

** This must agree with Schedule V line 30, column 8.

XII. RENTAL COSTS

A. Building and Fixed Equipment (See instructions.)

1. Name of Party Holding Lease: TL Enterprises

2. Does the facility also pay real estate taxes in addition to rental amount shown below on line 7, column 4?

If NO, see instructions.

☒ YES ☐ NO

		1 Year Constructed	2 Number of Beds	3 Date of Lease	4 Rental Amount	5 Total Years of Lease	6 Total Years Renewal Option*	
3	Original Building:				\$ <u>2,397,145</u>			3
4	Additions							4
5								5
6								6
7	TOTAL				\$ <u>2,397,145</u>			7

8. List separately any amortization of lease expense included on page 4, line 34.

This amount was calculated by dividing the total amount to be amortized
by the length of the lease .

9. Option to Buy: ☒ YES ☐ NO Terms: 80,00/bed, until 2010. *

B. Equipment-Excluding Transportation and Fixed Equipment. (See instructions.)

15. Is Movable equipment rental included in building rental?

☐ YES ☐ NO

16. Rental Amount for movable equipment: \$ 12,422 Description: copy machine \$11,883 & postage \$539

(Attach a schedule detailing the breakdown of movable equipment)

C. Vehicle Rental (See instructions.)

	1 Use	2 Model Year and Make	3 Monthly Lease Payment	4 Rental Expense for this Period	
17	<u>related party</u>	<u>various</u>	\$ <u>1,953.00</u>	\$ <u>23,436</u>	17
18					18
19					19
20					20
21	TOTAL		\$ <u>1,953.00</u>	\$ <u>23,436</u>	21

10. Effective dates of current rental agreement:

Beginning 1995

Ending 2010

11. Rent to be paid in future years under the current rental agreement:

Fiscal Year Ending Annual Rent

12. /2004 \$ 2,591,917

13. /2005 \$ 2,501,917

14. /2006 \$ 2,547,092

* If there is an option to buy the building, please provide complete details on attached schedule.

** This amount plus any amortization of lease expense must agree with page 4, line 34.

A. TYPE OF TRAINING PROGRAM (If aides are trained in another facility program, attach a schedule listing the facility name, address and cost per aide trained in that facility.)

1. HAVE YOU TRAINED AIDES DURING THIS REPORT PERIOD?	<input type="checkbox"/> YES	2. CLASSROOM PORTION:	3. CLINICAL PORTION:
	<input checked="" type="checkbox"/> NO	IN-HOUSE PROGRAM <input type="checkbox"/>	IN-HOUSE PROGRAM <input type="checkbox"/>
		IN OTHER FACILITY <input type="checkbox"/>	IN OTHER FACILITY <input type="checkbox"/>
		COMMUNITY COLLEGE <input type="checkbox"/>	HOURS PER AIDE _____
		HOURS PER AIDE _____	

If "yes", please complete the remainder of this schedule. If "no", provide an explanation as to why this training was not necessary.

skilled nursing on-site

B. EXPENSES

ALLOCATION OF COSTS (d)

		1	2	3	4
		Facility			
		Drop-outs	Completed	Contract	Total
1	Community College Tuition	\$	\$	\$	\$
2	Books and Supplies				
3	Classroom Wages (a)				
4	Clinical Wages (b)				
5	In-House Trainer Wages (c)				
6	Transportation				
7	Contractual Payments				
8	Nurse Aide Competency Tests				
9	TOTALS	\$	\$	\$	\$
10	SUM OF line 9, col. 1 and 2 (e)	\$			

C. CONTRACTUAL INCOME

In the box below record the amount of income your facility received training aides from other facilities.

\$

D. NUMBER OF AIDES TRAINED

COMPLETED	
1. From this facility	
2. From other facilities (f)	
DROP-OUTS	
1. From this facility	
2. From other facilities (f)	
TOTAL TRAINED	

- (a) Include wages paid during the classroom portion of training. Do not include fringe benefits.
(b) Include wages paid during the clinical portion of training. Do not include fringe benefits.
(c) For in-house training programs only. Do not include fringe benefits.
(d) Allocate based on if the aide is from your facility or is being contracted to be trained in your facility. Drop-out costs can only be for costs incurred by your own aides.

- (e) The total amount of Drop-out and Completed Costs for your own aides must agree with Sch. V, line 13, col. 8.
(f) Attach a schedule of the facility names and addresses of those facilities for which you trained aides.

XIV. SPECIAL SERVICES (Direct Cost) (See instructions.)

		1	2	3	4	5	6	7	8	
	Service	Schedule V Line & Column Reference	Staff		Outside Practitioner (other than consultant)		Supplies (Actual or Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
			Units of Service	Cost	Units	Cost				
1	Licensed Occupational Therapist	39-3	hrs	\$		\$ 133,168	\$		\$ 133,168	1
2	Licensed Speech and Language Development Therapist	39-3	hrs			57,168			57,168	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	39-3	hrs			180,179			180,179	4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy	see pg 16a	# of prescrpts				68,069		68,069	9
	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							
10	Academic Education		hrs							10
11	Exceptional Care Program									11
12										12
13	Other (specify):	see pg 16a					14,830		14,830	13
14	TOTAL			\$		\$ 370,515	\$ 82,899		\$ 453,414	14

NOTE: This schedule should include fees (other than consultant fees) paid to licensed practitioners. Consultant fees should be detailed on Schedule XVIII-B. Salaries of unlicensed practitioners, such as nurse aides, who help with the above activities should not be listed on this schedule.

		1 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ (403,066)	\$	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance)	1,524,766		3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	19,726		6
7	Other Prepaid Expenses	1,905		7
8	Accounts Receivable (owners or related parties)	(2,501,443)		8
9	Other(specify): Due from 3rd parties	36,389		9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ (1,321,723)	\$	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments	948,000		12
13	Land			13
14	Buildings, at Historical Cost			14
15	Leasehold Improvements, at Historical Cost	629,498		15
16	Equipment, at Historical Cost	233,725		16
17	Accumulated Depreciation (book methods)	(383,711)		17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds	170,986		21
22	Other Long-Term Assets (specify):			22
23	Other(specify):			23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 1,598,498	\$	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 276,775	\$	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 2,066,366	\$	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits	135,274		28
29	Short-Term Notes Payable	47,832		29
30	Accrued Salaries Payable	305,094		30
31	Accrued Taxes Payable (excluding real estate taxes)	13,353		31
32	Accrued Real Estate Taxes(Sch.IX-B)	222,700		32
33	Accrued Interest Payable			33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36	accr ins.exps.idpa,sales tax,etc.)	1,233,637		36
37				37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 4,024,256	\$	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable	69,391		39
40	Mortgage Payable			40
41	Bonds Payable			41
42	Deferred Compensation			42
	Other Long-Term Liabilities(specify):			
43				43
44				44
45	TOTAL Long-Term Liabilities (sum of lines 39 thru 44)	\$ 69,391	\$	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 4,093,647	\$	46
47	TOTAL EQUITY (page 18, line 24)	\$ (3,816,872)	\$	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 276,775	\$	48

*(See instructions.)

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ (2,601,594)	1
2	Restatements (describe):		2
3	external audit adjustments made after 2001 cost report was		3
4	submitted. These have no effect on prior years report:		4
5	Bad debt, medicare revenues (non -allowables)	489,322	5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ (2,112,272)	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	(1,704,600)	7
8	Aquisitions of Pooled Companies		8
9	Proceeds from Sale of Stock		9
10	Stock Options Exercised		10
11	Contributions and Grants		11
12	Expenditures for Specific Purposes		12
13	Dividends Paid or Other Distributions to Owners	()	13
14	Donated Property, Plant, and Equipment		14
15	Other (describe)		15
16	Other (describe)		16
17	TOTAL Additions (deductions) (sum of lines 7-16)	\$ (1,704,600)	17
	B. Transfers (Itemize):		
18			18
19			19
20			20
21			21
22			22
23	TOTAL Transfers (sum of lines 18-22)	\$	23
24	BALANCE AT END OF YEAR (sum of lines 6 + 17 + 23)	\$ (3,816,872)	24 *

* This must agree with page 17, line 47.

VII. INCOME STATEMENT (attach any explanatory footnotes necessary to reconcile this schedule to Schedules V and VI.) All required classifications of revenue and expense must be provided on this form, even if financial statements are attached.
Note: This schedule should show gross revenue and expenses. Do not net revenue against expense.

		1	
Revenue		Amount	
A. Inpatient Care			
1	Gross Revenue -- All Levels of Care	\$ 7,902,225	1
2	Discounts and Allowances for all Levels	()	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 7,902,225	3
B. Ancillary Revenue			
4	Day Care	1,343	4
5	Other Care for Outpatients		5
6	Therapy	26,881	6
7	Oxygen	52,786	7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 81,010	8
C. Other Operating Revenue			
9	Payments for Education		9
10	Other Government Grants		10
11	Nurses Aide Training Reimbursements		11
12	Gift and Coffee Shop		12
13	Barber and Beauty Care	4,203	13
14	Non-Patient Meals		14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs	2,588	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory	493	19
20	Radiology and X-Ray		20
21	Other Medical Services	24,434	21
22	Laundry		22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 31,718	23
D. Non-Operating Revenue			
24	Contributions		24
25	Interest and Other Investment Income***	1,243	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 1,243	26
E. Other Revenue (specify):****			
27	Settlement Income (Insurance, Legal, Etc.)		27
28	Med.Record income \$339, plus Insurance claims		28
28a	\$2,289 plus Food Rebates \$1,282 (all pg 5a adjs)	3,909	28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ 3,909	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 8,020,105	30

		2	
Expenses		Amount	
A. Operating Expenses			
31	General Services	1,329,466	31
32	Health Care	2,998,336	32
33	General Administration	2,023,374	33
B. Capital Expense			
34	Ownership	3,008,931	34
C. Ancillary Expense			
35	Special Cost Centers	628,711	35
36	Provider Participation Fee	173,010	36
D. Other Expenses (specify):			
37	Related party salary allocations		37
38	included on this page, but included on		38
39	page 3&4.	(437,123)	39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 9,724,705	40
41	Income before Income Taxes (line 30 minus line 40)**	(1,704,600)	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ (1,704,600)	43

* This must agree with page 4, line 45, column 4.

** Does this agree with taxable income (loss) per Federal Income Tax Return? not yet done If not, please attach a reconciliation.

*** See the instructions. If this total amount has not been offset against interest expense on Schedule V, line 32, please include a detailed explanation.

****Provide a detailed breakdown of "Other Revenue" on an attached sheet.

Facility Name & ID Number Alden Terrace of McHenry Rehab

0040691

Report Period Beginning: 01/01/2003

Ending:

12/31/2003

XVIII. A. STAFFING AND SALARY COSTS (Please report each line separately.)

(This schedule must cover the entire reporting period.)

		1	2**	3	4	
		# of Hrs. Actually Worked	# of Hrs. Paid and Accrued	Reporting Period Total Salaries, Wages	Average Hourly Wage	
1	Director of Nursing	1,904	2,080	\$ 59,335	\$ 28.53	1
2	Assistant Director of Nursing	2,032	2,128	56,009	26.32	2
3	Registered Nurses	35,777	39,032	976,768	25.02	3
4	Licensed Practical Nurses	11,219	12,183	265,794	21.82	4
5	Nurse Aides & Orderlies	70,718	72,387	1,080,678	14.93	5
6	Nurse Aide Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides	1,860	2,058	23,128	11.24	8
9	Activity Director	1,596	1,740	22,931	13.18	9
10	Activity Assistants	8,044	8,556	75,190	8.79	10
11	Social Service Workers	2,096	2,184	31,201	14.29	11
12	Dietician					12
13	Food Service Supervisor	1,824	2,080	33,247	15.98	13
14	Head Cook					14
15	Cook Helpers/Assistants	22,055	23,165	188,626	8.14	15
16	Dishwashers					16
17	Maintenance Workers	1,536	1,952	32,545	16.67	17
18	Housekeepers	20,529	21,311	143,135	6.72	18
19	Laundry	7,965	8,327	65,270	7.84	19
20	Administrator	1,856	2,080	76,309	36.69	20
21	Assistant Administrator					21
22	Other Administrative	5,992	6,200	129,005	20.81	22
23	Office Manager	4,540	4,624	44,853	9.70	23
24	Clerical					24
25	Vocational Instruction					25
26	Academic Instruction					26
27	Medical Director					27
28	Qualified MR Prof. (QMRP)					28
29	Resident Services Coordinator	1,952	2,056	41,736	20.30	29
30	Habilitation Aides (DD Homes)					30
31	Medical Records	38	38	639	16.82	31
32	Other Health C: clin sup super	2,106	2,154	49,724	23.08	32
33	Other(specify) alz aide	2,107	2,290	31,485	13.75	33
34	TOTAL (lines 1 - 33)	207,746	218,625	\$ 3,427,608 *	\$ 15.68	34

* This total must agree with page 4, column 1, line 45.

** See instructions.

B. CONSULTANT SERVICES

		1	2	3	
		Number of Hrs. Paid & Accrued	Total Consultant Cost for Reporting Period	Schedule V Line & Column Reference	
35	Dietary Consultant	550/mo	\$ 6,600	1-3	35
36	Medical Director	2,075/mo	24,900	10-3	36
37	Medical Records Consultant				37
38	Nurse Consultant				38
39	Pharmacist Consultant	632/mo	7,584	10-3	39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant	65	3,499	11-3	44
45	Social Service Consultant	22	1,199	11-3	45
46	Other(specify) Psycho-Social Consul	4	189	11-3	46
47					47
48					48
49	TOTAL (lines 35 - 48)	90	\$ 43,971		49

C. CONTRACT NURSES

		1	2	3	
		Number of Hrs. Paid & Accrued	Total Contract Wages	Schedule V Line & Column Reference	
50	Registered Nurses		\$ N/A		50
51	Licensed Practical Nurses				51
52	Nurse Aides				52
53	TOTAL (lines 50 - 52)		\$		53

Ending: 12/31/2003

**See instructions.

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Improvement Type	Month & Year Improvement Was Made	Total Cost	Useful Life	Amount of Expense Amortized Per Year								
					FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008
1	painting and Decorating	11/95	\$ 9,250	3	\$	\$	\$	\$	\$	\$	\$	\$	\$
2	painting and Decorating	10/95	4,610	3									
3	Touchup painting	2/96	1,430	3									
4	Ice Machine; A/C Rep	5/96	3,451	10	345	345	345	345	345	345	115		
5	Boiler repair	5/96	2,437	10	244	244	244	244	244	244	81		
6	painting and Decorating	5/96	1,610	3									
7	painting and Decorating	9/96	1,078	3									
8	painting and Decorating	1/96	1,430	3									
9	HVAC Revision	2/96	1,590	10	159	159	159	159	159	159	13		
10	Painting	3/96	1,610	3									
11	Painting	8/96	1,610	3									
12	Painting	4/96	1,610	3									
13	Painting	7/96	1,610	3									
14	Painting	12/96	1,104	3									
15	Painting	9/96	1,610	3									
16	Painting	11/96	1,380	3									
17	Install motor	4/96	3,406	10	341	341	341	341	341	341	85		
18	Dishwasher motor	5/96	1,789	10	179	179	179	179	179	179	75		
19	Replace inducer motor	1/97	3,051	3	1,017								
20	TOTALS		\$ 45,666		\$ 2,285	\$ 1,268	\$ 1,268	\$ 1,268	\$ 1,268	\$ 1,268	\$ 369	\$	\$

XIX-H. SUPPORT SCHEDULE - DEFERRED MAINTENANCE COSTS (which have been included in Sch. V, line 6, col. 3).

(See instructions.)

1	2	3	4	5	6	7	8	9	10	11	12	13		
	Improvement Type	Month & Year Improvement Was Made	Total Cost	Useful Life	Amount of Expense Amortized Per Year									
						FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	
1	Belts ande defrost timer	5/97	\$ 1,608	3	\$	\$ 179	\$	\$	\$	\$	\$	\$	\$	
2	Hot Water mixing Valve	6/97	2,886	3		401								
3	Repair A/C	7/97	1,593	3		265								
4	Boiler repair	10/97	1,505	3		36								
5	Painting	10/97	15,609	3		3,902								
6	Sink/valve replacement	2/98	1,961	3		654	54							
7	A/C air handlers	4/98	1,733	3		578	144							
8	Painting	3/98	7,492	3		2,497	416							
9	Painting	6/98	4,628	3		1,543	643							
10	Painting	9/98	2,651	3		884	589							
11	Painting	12/98	9,008	3		3,003	2,752							
12	Tank Repair	4/99	1,925	3		642	642	160						
13	Painting	7/99	8,432	3		2,811	2,811	1,405						
14	Painting	7/00	8,926	3		1,488	2,975	2,975	1,487	0				
15	Repair HVAC	1/00	1,626	3		542	542	542	0	0				
16	Paving/Wallcover	9/00	8,309	3		923	2,770	2,770	1,847	1,847				
17	Painting/Wallcover	9/00	7,654	3		850	2,551	2,551	1,701	1,701				
18	Bolt Flango/Check valve	1/01	1,865	3			622	622	622	622				
19	Fire Alarm Maint	3/01	2,151	1			1,793	359						
20	TOTALS		\$ 91,562		\$	\$ 21,198	\$ 19,304	\$ 11,384	\$ 5,657	\$ 4,170	\$	\$	\$	

XIX-H. SUPPORT SCHEDULE - DEFERRED MAINTENANCE COSTS (which have been included in Sch. V, line 6, col. 3).
(See instructions.)

1	2	3	4	5	6	7	8	9	10	11	12	13		
	Improvement Type	Month & Year Improvement Was Made	Total Cost	Useful Life	Amount of Expense Amortized Per Year									
						FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	
1	Replace phase monitor	02/01	\$ 1,898	3	\$	\$	\$ 527	\$ 633	\$ 633	\$ 106	\$	\$	\$	\$
2	Replace shaft	06/01	2,239	5			261	448	448	448	448	187	0	0
3	Replace pressure switch	07/01	2,516	5			252	503	503	503	503	251	0	0
4	Coker	03/01	1,523	5			228	305	305	305	305	77	0	0
5	Totals from page 22		45,666			2,285	1,268	1,268	1,268	1,268	1,268	369	0	0
6	Totals from page 22A		91,562			21,198	19,303	11,383	5,657	0	0	0	0	0
7														
8														
9														
10														
11														
12														
13														
14														
15														
16														
17														
18														
19														
20	TOTALS		\$ 145,404		\$	\$ 23,483	\$ 21,839	\$ 14,540	\$ 8,814	\$ 2,630	\$ 2,524	\$ 884	\$	\$

Facility Name & ID Number Alden Terrace of McHenry Rehab

STATE OF ILLINOIS

0040691

Report Period Beginning: 01/01/2003

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Ending: 12/31/2003

XX. GENERAL INFORMATION:

- (1) Are nursing employees (RN, LPN, NA) represented by a union? no
- (2) Are there any dues to nursing home associations included on the cost report? yes
If YES, give association name and amount. IHCA: \$12,230
- (3) Did the nursing home make political contributions or payments to a political action organization? yes If YES, have these costs been properly adjusted out of the cost report? yes
- (4) Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year? no If YES, what is the capacity? _____
- (5) Have you properly capitalized all major repairs and equipment purchases? yes
What was the average life used for new equipment added during this period? 9
- (6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. \$ 36,956 Line 10
- (7) Have all costs reported on this form been determined using accounting procedures consistent with prior reports? yes If NO, attach a complete explanation.
- (8) Are you presently operating under a sale and leaseback arrangement? no
If YES, give effective date of lease. _____
- (9) Are you presently operating under a sublease agreement? _____ YES x NO
- (10) Was this home previously operated by a related party (as is defined in the instructions for Schedule VII)? YES _____ NO x If YES, please indicate name of the facility, IDPH license number of this related party and the date the present owners took over.

- (11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department of Public Aid during this cost report period. \$ 173,010
This amount is to be recorded on line 42 of Schedule V.
- (12) Are there any salary costs which have been allocated to more than one line on Schedule V for an individual employee? no If YES, attach an explanation of the allocation.

- (13) Have costs for all supplies and services which are of the type that can be billed to the Department of Public Aid, in addition to the daily rate, been properly classified in the Ancillary Section of Schedule V? yes
- (14) Is a portion of the building used for any function other than long term care services for the patient census listed on page 2, Section B? no For example, is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach a schedule which explains how all related costs were allocated to these functions.
- (15) Indicate the cost of employee meals that has been reclassified to employee benefits on Schedule V. \$ 38,427 Has any meal income been offset against related costs? no Indicate the amount. \$ _____
- (16) Travel and Transportation
a. Are there costs included for out-of-state travel? n/a
If YES, attach a complete explanation.
b. Do you have a separate contract with the Department to provide medical transportation for residents? n/a If YES, please indicate the amount of income earned from such a program during this reporting period. \$ n/a
c. What percent of all travel expense relates to transportation of nurses and patients? n/a
d. Have vehicle usage logs been maintained? n/a
e. Are all vehicles stored at the nursing home during the night and all other times when not in use? n/a
f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report? n/a
g. Does the facility transport residents to and from day training? n/a
Indicate the amount of income earned from providing such transportation during this reporting period. \$ n/a
- (17) Has an audit been performed by an independent certified public accounting firm? yes
Firm Name: BDO Seidman The instructions for the cost report require that a copy of this audit be included with the cost report. Has this copy been attached? no If no, please explain. not yet completed
- (18) Have all costs which do not relate to the provision of long term care been adjusted out of Schedule V? yes
- (19) If total legal fees are in excess of \$2500, have legal invoices and a summary of services performed been attached to this cost report? yes
Attach invoices and a summary of services for all architect and appraisal fees.

Alden Nursing Center - McHenry
Reporting Period Beginning
Reporting Period Ending

004-0691
1/01/03
12/31/03

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Reclassifications - Pgs 3 and 4

From Line	To Line	Amount	Description
2		(38,427)	Employee Meal
	22	38,427	Employee Meal
22		(2,753)	Uniforms
	10	1,912	Uniforms
	6	60	Uniforms
	4	54	Uniforms
	1	160	Uniforms
	3	456	Uniforms
	11	0	Uniforms
	21	112	Uniforms
19			R/E Tax Appeal
	33		R/E Tax Appeal
		<hr/> (0)	Net should be 0